GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6276
ANSWERED ON:06.05.2005
SALES TAX RATES ON PETRO GOODS
Murmu Shri Rupchand

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has requested to all the Chief Ministers to lower sales tax on petro goods;

(b) if so, the reasons therefor;

(c) the name of the States which are having the highest local taxes and cess on petro goods;

(d) whether States have reduced sale tax on petro products; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): Minister of Petroleum and Natural Gas had requested the State Chief Ministers and the Chairman of the Empowered Committee of State Finance Ministers to reduce sales tax rates on petroleum products with a view to contain the impact of high international prices on the domestic consumer prices of these products.

(c): Andhra Pradesh, Maharashtra, Sikkim and Madhya Pradesh have the highest rate of local taxes on petrol, diesel, kerosene and LPG respectively.

(d) & (e): The Government of Orissa reduced sales tax on LPG from 12% to 8% in September, 2004. In March, 2005, Kerala has reduced the sales tax rates on petrol from 44% to 28% and on diesel from 40% to 24%.